

L. Moscone
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iforniaHonorable Board of Supervisors
Room 235, City Hall
San Francisco, California

Ladies and Gentlemen:

Transmitted herewith is our report on options for Jarvis-Gann budgets for the City and County of San Francisco. Initially, we emphasize that the Mayor and the Board of Supervisors, as the policy makers of the City and County of San Francisco, will make all final budgetary decisions. This report, prepared by the undersigned and their staffs,

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:, the Controller's Office, the City Attorney's
Service.

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ad valorem revenues for the City and County of San Francisco, the
San Francisco Unified School District, the Community College District,
and the Bay Area Rapid Transit District would all be proportionately
reduced.

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Honorable George R. Moscone
Mayor
Room 200, City Hall
San Francisco, California

Honorable Board of Supervisors
Room 235, City Hall
San Francisco, California

Ladies and Gentlemen:

Transmitted herewith is our report on options for Jarvis-Gann budgets for the City and County of San Francisco. Initially, we emphasize that the Mayor and the Board of Supervisors, as the policy makers of the City and County of San Francisco, will make all final budgetary decisions. This report, prepared by the undersigned and their staffs, is presented strictly to show possible optional budgets for the City and County. We consulted with the Office of the Chief Administrative Officer, the Controller's Office, the City Attorney's Office, and the Civil Service.

While we emphasize that our report is a staff report to the elected officials whose final policy decisions must prevail, our report represents a detailed analysis of each departmental budget. Through this report, we have achieved our objective of reducing by \$157.5 million the 1978-79 approved budget of \$868.8 million. This would result in an elimination of \$123.1 million in ad valorem taxes. The total \$157.5 million budget reduction, required as a result of the passage of the Jarvis-Gann Initiative, was based on the assumption that the ad valorem revenues for the City and County of San Francisco, the San Francisco Unified School District, the Community College District, and the Bay Area Rapid Transit District would all be proportionately reduced.

Under our worst case assumption, the City and County would receive no replacement revenues from the State of California and the Board of Supervisors would enact no new or increased revenue measures to make up any portion of the \$157.5 million gap. Our second level Jarvis-Gann budget, while still assuming that the City and County would receive no revenues from the State, assumes that the Board of Supervisors would enact some replacement revenue measures.

The Controller stated that an overall annual appropriation ordinance reflecting any Jarvis-Gann budget reductions and any new or increased revenues from local and State sources must be approved by June 30, 1978. Accordingly, he stated that he will not certify the use of any local or State revenues unless he is provided with adequate assurances of their existence prior to June 30, 1978. He stated that if such assurances come subsequent to June 30, 1978, the resulting new or increased revenues could be used, via supplemental appropriations, to partially restore the Jarvis-Gann budget reductions.

The optional criteria used in the preparation of our Jarvis-Gann budgets are as follows:

1. The 1978-79 Salary Standardization for miscellaneous employees, previously approved by the Mayor and the Board of Supervisors, would be rescinded.
2. No 1978-79 Salary Standardization for Police, Fire and Municipal Railway Departmental employees would be granted. Further, cost of living and trust fund benefits would not be granted to Municipal Railway employees.

3. Most City and County departments, which are proposed for funding, would absorb a 10 to 15 percent reduction in their salary accounts after elimination of the previously approved 1978-79 Salary Standardization. Department heads could be authorized the flexibility to effect such reductions through (a) a reduced work week which would provide for a minimum coverage of 32 hours and a maximum coverage of 36 hours to be achieved by a four-day work week or other adjustments in all employee's hours. This reduced work week would still provide for overall coverage of five days per week through the staggering of personnel in a manner which would have the least adverse effect on the impact on services; (b) normal attrition; (c) layoff, and (d) other budget reductions as approved by the Mayor and the Board of Supervisors. The option to mandate the departments to absorb the 10 to 15 percent reduction in salary accounts without providing the above-cited flexibility to department heads could adversely affect the services to be provided to the citizens of the City and County of San Francisco. We were advised by the City Attorney's Office that if the Jarvis-Gann deficit were made up strictly through the use of layoffs, this would result in a mandate to follow the Civil Service Commission rules governing seniority and bumping procedures for City employees. Under such circumstances, the City and County would more likely lose some of their most talented and dedicated employees. The City's Affirmative Action Program could also be adversely affected. In the preparation of our worst case Jarvis-Gann budget, there

would be an estimated layoff of 2,000 permanent employees with a reduced work week under the No. 3 criterion. The alternative to Criterion No. 3 would be the layoff of an estimated 4,900 permanent employees. Our No. 3 criterion, with regard to its flexibility provisions, is designed to provide maximum services to the public with a minimum layoff of employees.

4. Except for those employees who earn less than \$10,000 annually, all employees would absorb a minimum pay reduction and corresponding work week reduction of 10 percent and a maximum pay reduction and work week reduction of 20 percent. Current 1977-78 salary rates would remain in existence. The precise percentage of such reductions would be determined by the Department heads in conjunction with criterion No. 3 above. This criterion could be made to apply to all employees who receive pay checks from the City and County including those employees funded from Federal, State, bond fund and any other sources. It could also include employees of the City's Airport and Public Utilities Commission as well as employees of the Redevelopment Agency and Housing Authority. It could also apply to those persons retained by the City on personal services contracts. The purpose of the option to provide the Department heads with the flexibility under both our criteria Nos. 3 and 4 is intended to be in the best interests of the City.

and County and is in no way intended to favor or provide so-called power to Department heads. The option of ~~across-the-board~~ salary reductions was made in the interests of equity despite the fact that ad valorem savings would not be achieved in every instance. Further, with regard to the non-ad valorem supported Airport, Public Utilities Commission, Port, and other functions, the savings generated from salary reductions through reduced work weeks have the further advantage of creating additional jobs for those employees who will be laid off in ad valorem supported departments.

5. The 1978-79 appropriations for most capital improvements and most equipment would be rescinded.
6. While the City's and County's portion of ad valorem funding to the California Academy of Sciences, the Fine Arts Museums, the War Memorial Opera House, and the Art Museum was withdrawn, these institutions receive outside funding, and it is expected that such funding, together with any revenue measures that these institutions might generate, would possibly permit their operations to continue at a reduced level.
7. Total elimination of (a) departments or (b) major specific programs within departments include the following options:

(It should be noted that these reductions are strictly suggestions for your consideration. They are over and above the cuts achieved by the elimination of salary standardization and the reduction in the work week or lay-offs as necessary. It should also be pointed out that in some cases the figures are the best estimates that can be made, based on the Work Programs submitted by the various Departments in conjunction with the submission of the 79/80 Budget estimates. "Options" as noted below are not funded in the "Jarvis-Gann" suggested budget shown as Attachment I and therefore would require further reductions elsewhere or new revenues.)

111 Adult Probation (\$467,889) This cut will require a 50% increase in the case-load of probation officers. It will require a classification review of the existing case-load and a judgment as to which active cases require the most attention, and which cases are inactive or require lesser amounts of time and attention.

113 Art Commission (\$489,998)* Total Departmental funding eliminated as non-essential. Charter mandated appropriation is waived based on expected "Emergency" declaration. (An optional funding level of \$152,121 would comply with the City Charter).

119 City Planning (\$473,353)* The "Neighborhood Planning" and "General Planning" functions are defunded. Code activities, Environmental Review and other functions remain.

123 Controller (\$626,899) Payment to the Bay Area Air Pollution Control District is eliminated.

141 District Attorney (\$419,967) Consumer Fraud Unit is defunded.

143 County Board of Education (\$1,198,892)* Payment to the other School Districts for out of county placements is halted. This program is State mandated. (An option would be to fund it.)

147 Human Rights Commission (\$138,838) Provides only for Director and three staff positions.

149 Law Library (\$90,804) Tax support for Law Library is totally withdrawn pursuant to anticipated "Emergency" declaration. (As an option funding could be restored to comply with the City Charter.)

150 Commission on Status of Women (\$79,407)* Total funding withdrawn as non-essential services except for commissioner fees.

151 Mayor (\$403,365) 30% cut including existing salary savings.

152 Commission on Aging (\$46,191) Provide remaining funds for hard match only. Cut is administrative budget which for FY 79/80 should be paid from excess parking fee revenue previously appropriated to this agency.

153 FIRM (\$469,760)* Program eliminated.

165 Public Defender (\$46,200) Eliminated funds for new rental quarters.

167 Public Pound (\$314,300) Withdraws ad-valorem funding for public pound.

169 Social Services (\$9,005,000)* Eliminates funding for General Assistance program (\$6,005,000) and reduces boarding of AFDC youngsters out-of-home by 500 persons of whom 125 will be transferred to a State operated regional facility. (An option is to comply with present State law and fund the General Assistance program at the Court established level.)

176 Delinquency Prevention Commission (\$49,129) Funding eliminated.

177 Animal Control Commission (\$9,029) Funding eliminated.

178 Assessment Appeals Board (\$128,325)* Funding eliminated. Law provides that the Board of Supervisors may sit as Appeals Board. (This could create additional workload for the Board of Supervisors.)

180 Board of Supervisors Budget Bureau (\$167,416) 30% cut including existing salary savings.

181 Board of Supervisors (\$383,413) 30% cut including existing salary savings.

182 Employee Relations (\$81,061) 50% cut in program.

188 Hidden Valley Ranch (\$537,805) Facility closed, clients transferred to Log Cabin Ranch or Youth Guidance Center.

213 Academy of Sciences (\$1,108,811)* Ad-valorem funding withdrawn. Private sources must be found to keep aquarium protected and open to the public. Declaration of Emergency anticipated to void Charter funding requirement. (An optional funding level of \$554,405 would comply with City Charter.)

221 Chief Administrative Officer (\$207,279) 30% cut including existing salary savings.

245 Real Estate (\$137,500) Reduces possessary interest tax paid by City (\$120,000). Cuts maintenance in Halliday Plaza by 50% (\$17,500).

247 Brooks Hall (\$110,045)* Terminates ad-valorem support, making a fee increase necessary for continued operation.

255 Registrar (\$24,113) Eliminate special election fund pursuant to anticipated Declaration of Emergency.

261 Tax Collector (\$65,918) Eliminates two attorney positions in the office (1 IDWO to City Attorney).

413 DPW: Bur. of Architecture (\$209,977) Eliminates ad-valorem support for all staff execpt City Architect and secretary. Remaining staff will be funded by work orders from Bond or Special funds.

415 DPW: Building Inspection (\$493,989) Reduces Apartment and Hotel Inspection funds by 50%. Property Ababtement funds by 50%. Parapet Ordinance enforcement by 100%.

417 DPW: Building Repair (\$1,691,430) This cut represents an estimated 50% cut in ad-valorem supported building repair functions.

421 DPW: Engineering (\$797,191) Eliminates funding for all except fee supported "demand" functions i.e., street encroachments, street openings, utility undergrounning, surveys/mapping functions remain funded .

511 DPH: Administration (\$312,425) Withdraws ad-valorem support for various private-nonprofit health facilities heretofore supported in part by tax funds. Continues funding for one project in which tax support provides hard match for Federal Grant (BV-HP

Ambulatory Care) and partial funding of two programs whose continued existence depends on this participation (North of Market Sr. Center) and Haight Ashbury Free Med. Clinic) is provided. Deletes entire City contribution for Downtown Senior Centers, Developmental Disability Council, Coord. Council on Drug Abuse, Sexual Trauma Center, Sickle Cell Anemia, Telegraph Hill Neighborhood House, California League for the Handicapped.

529 Dental Bureau (\$504,249) All Dental Bureau Clinics will be closed.

533 Juvenile Court (\$122,578) Reduced by 50%. Out-patient services from S.F. General will be required to pick up services at Juvenile Hall.

535 District Health Centers (\$4,323,786) All are closed. It is anticipated the CMHS services will move into these facilities (which are City-owned) and pay a 90% subvented rent. CMHS now pays an estimated \$600,000 annually in rent to others.

539 PH Nursing (\$72,102) Unit is shut down as a separate entity. A nurse at an existing institution is designated "Public Health Nurse" to satisfy State law.

551 Emergency Services (\$1,180,707) While all emergency aid stations except Mission would be closed, the ambulance services are maintained. Funds are provided to move telemetry equipment from 101 Grove to Mission Emergency where it can be monitored by existing staff.

555 Laguna Honda (\$3,285,000) It is expected that the population will be decreased by an average of 30 per month by closing admissions (65,700 patient days for the year). The savings is 50% ad-valorem and 50% in State reimbursements. It should be noted that this provides no long-term solution. A program must be developed for the future since substantially less revenues than are available in the first year of Proposition 13 will be available in FY 80/81 to fund City operations.

557 SFGH (\$848,000) Reductions are in capital and equipment items and in eliminating the cost of living increase in the UC contract. (There are \$8 million in salary standardization and work week cuts).

561/583 CMHS (\$1,477,523) Eliminated all "over-match" ad-valorem funding. Reduced amount available provides required matching for all Short-Doyle programs. (Sufficient remaining funds will be available to finance a Methadone Maintenance Program.)

621 Fine Arts Museums (\$2,210,512)* Eliminated tax support. Survival of these institutions now depends upon fund raising efforts in the private sector. Anticipated Emergency Declaration voids Charter required funding. (Additional funding of \$980,262 would comply with City Charter.)

622 Asian Arts Museums (\$460,011)* Eliminated tax support. Survival of these institutions now depends upon fund raising efforts in the private sector. Anticipated Emergency Declaration voids Charter required funding. (Additional funding of \$150,006 would comply with City Charter.)

631 Library (\$6,362,231)* Remaining funds will allow Main Library to open three days, one evening and Saturdays. All other library services are suspended. (Optional funding would restore \$2,563,093)

641 P & A Fund (\$3,900,000) All P & A funds are returned to General Fund. Anticipated Emergency Declaration will waive financing requirements of law.

651 Rec. & Park (\$13,147,370)* Provides Charter mandated minimum which will allow for the protection of most physical properties (watering but no mowing, etc.) only. Recreation facilities will be severely curtailed.

652 Zoo (\$1, 894,931) Ad-valorem support is reduced to \$100,000 which together with remaining Zoo Special Funds will provide food for the animals and a minimum number of animal keepers. The Zoo would be closed to the public until a fee structure can be developed to support re-opening of the Zoo.

654 Open Space Program (\$3,499,812) These special tax override funds are diverted to the General Fund by anticipated Emergency Declaration. (An optional funding level of \$3,042,414 would comply with City Charter until Charter is amended.)

655 Golf Courses (\$1, 134,720) All ad-valorem funding withdrawn. A revised fee schedule or private leasing will be required to maintain these facilities.

691/692 War Memorial Opera House and Modern Art Musuem (\$1,403,339) Ad-valorem funding withdrawn. Private sources must be found to keep these facilities open. (An optional funding level of \$701,668 would comply with City Charter.)

695 Light, Heat & Power (\$977,306) Reduced funding by 15% to compensate for closure of City Buildings.

735 Muni (\$35,542,614)* Ad-valorem support reduced to \$16 million. This level of funding will provide peak hour service on non-duplicated Muni lines only. A policy decision regarding added funds from any potential revenue package is required. Fare increases would likewise increase the level of services.

* Whenever an item is marked by an asterisk, staff options for partial refunding are included in the "second level" budget dependent upon the adoption of new revenues. (see Attachment II)

8. The use of special fund monies has been maximized by the withdrawal of ad valorem amounts provided to departments and offsetting such amounts through the full utilization of the special fund monies.
9. The Open Space funds of \$3.4 million appropriated in the 1978-79 budget would be rescinded and appropriated to the General Fund.
10. The 1978-79 appropriation of \$3.9 million of Publicity and Advertising expenses, financed by Hotel Tax funds, would be rescinded and used to finance other 1978-79 ad valorem expenditures.
11. All 1978-79 sales tax revenues now being used to finance General Obligation Bond Interest and Redemption expenses would instead be used to finance other 1978-79 ad valorem expenditures. This would not result in any deferral of bond interest and redemption payments but rather would take advantage of the fact that under the Jarvis-Gann Initiative, ad valorem taxes can be used to finance such debt service without limitation.
12. Consideration of the fact that some departments have large numbers of Comprehensive Employment and Training Act (CETA) employees and other Federal and bond-financed employees has not been made with regard to the preparation of our suggested Jarvis-Gann budgets. Further, it is uncertain

as to whether the Department of Labor might relax its ruling that the abolishment of one regular CETA employee would result in the layoff of all CETA employees in that same classification.

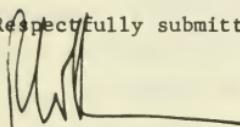
13. Consideration might also be given to the City's possible withdrawal from the Social Security System. Subsequent to filing for withdrawal, a two-year waiting period would occur during which a ballot proposition could be submitted to the electorate on this matter. The 1978-79 budget contains \$14 million for the City's cost of social security. This amount is matched by employee contributions of another \$14 million. Of the \$140 million in fringe benefits, social security is the only item which could be legally reduced. While this matter will not assist in formulating a final 1978-79 Jarvis-Gann budget, we bring it to your attention since we estimate that the Jarvis-Gann Initiative will result in additional ad valorem tax losses of \$28.2 million in 1979-80 over the 1978-79 losses.

The following attachments contain our optional Jarvis-Gann budget data. Attachment I is the worst case budget which provides for no replacement revenues. Options for a selection of replacement revenues are contained in Attachment II. Attachment III describes the second level budget based on an assumption of replacement revenues of \$17.9 million.

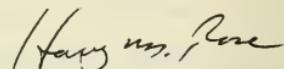
A line item by line item review of the budget is a possible option as opposed to the options presented in this report to cut programs and to significantly reduce the salary accounts. However, the magnitude of the required reduction of \$157.5 million, or some lesser amount depending on the extent of the replacement revenues, should be considered in whatever policy options you decide.

The preparation of these optional budgets has been a most difficult task for us and we recognize the hard and difficult decisions which must finally be made by you. While the undersigned concur with the facts in the report as submitted, we conclude by again re-emphasizing that the report's options must be translated into your policy decisions. Completely different Jarvis-Gann budgets could be prepared and, based on priorities of the Mayor and the Board, could in fact be more appropriate than any of the options contained in this report.

Respectfully submitted,



RUDOLF NOTHENBERG
Executive Deputy for Program and
Fiscal Administration, Mayor's Office



HARVEY M. ROSE
Budget Director and Analyst
Board of Supervisors

Attachments

cc: Mayor Moscone
President Feinstein
Supervisor Dolson
Supervisor Gonzales
Supervisor Hutch
Supervisor Kopp
Supervisor Lau
Supervisor Milk
Supervisor Molinari
Supervisor Pelosi
Supervisor Silver
Supervisor White
Chief Administrative Officer
Controller
City Attorney
Clerk of the Board
General Manager, Personnel

OPTIONAL 1978-1979 CITY AND COUNTY BUDGET BASED UPON A REDUCED LEVEL OF AD VALOREM
TAX FUNDING PURSUANT TO THE JARVIS-GANN AMENDMENT TO THE STATE CONSTITUTION

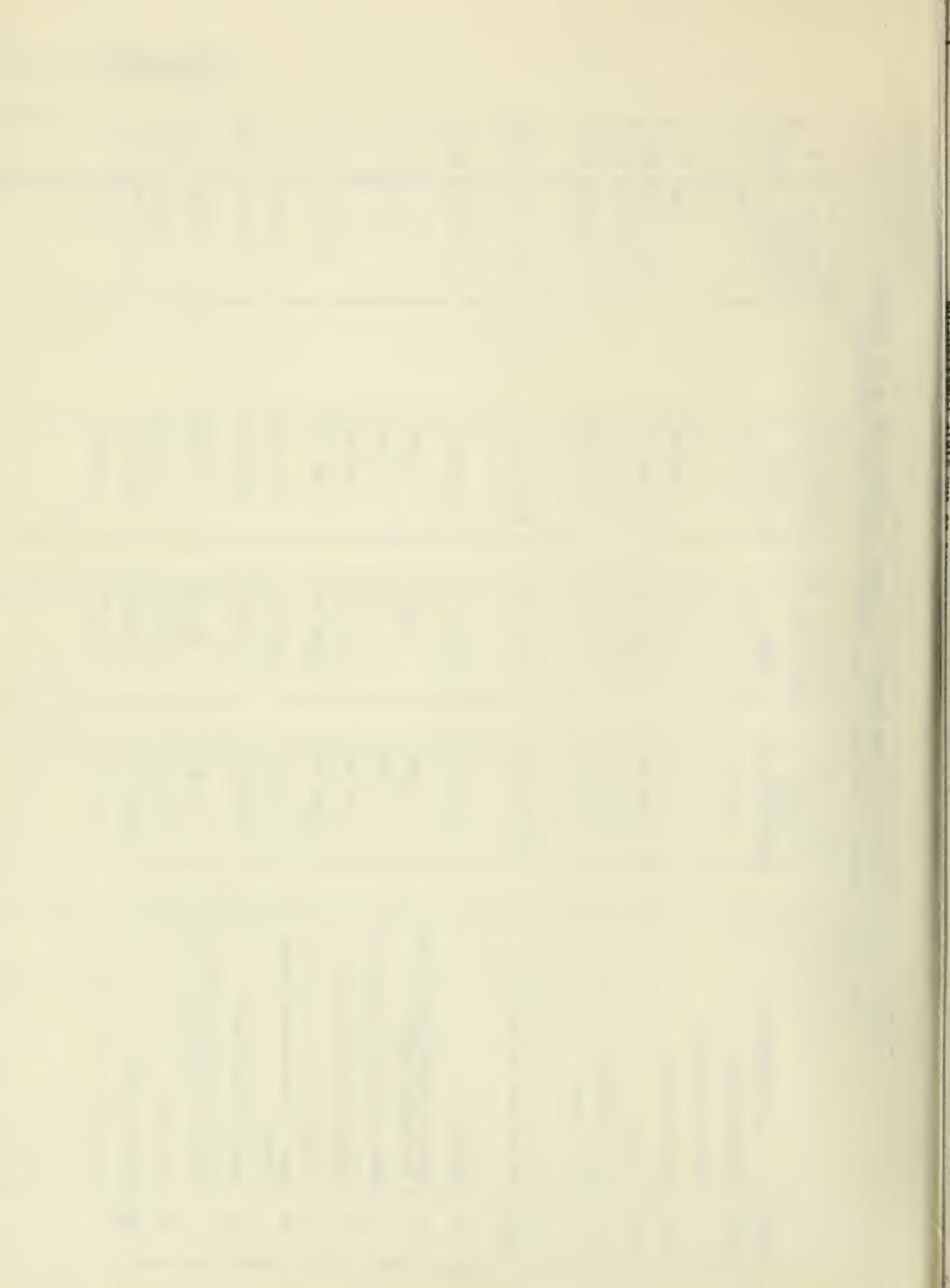
ATTACHMENT I
Page 1 of 7

Index	Department	1976-1977		1978-1979		% Funded
		Actual	Budget	1977-1978 Budget	1978-1979 Budget	
111	Adult Probation	\$ 1,939,056	\$ 2,247,164	\$ 2,663,202	\$ 1,882,701	70.7
113	Art Commission	409,807	976,341	489,998	0	0
115	Assessor	3,100,499	3,357,167	3,645,996	3,010,941	82.6
117	City Attorney	1,495,800	1,668,807	1,873,781	1,299,964	69.4
119	City Planning	1,287,701	1,511,194	1,652,691	896,601	54.3
121	Civil Service Commission	2,096,219	2,328,625	2,610,322	2,163,899	82.9
123	Controller - Administration	3,330,232	3,985,481	4,921,882	3,657,952	74.3
123	Controller - Other Appropriations	3,989,797	4,115,919	5,409,380	5,409,380	100.0
124	Controller - Data Processing Center	617,895	518,410	98,868	0	0
131	Emergency Services	154,421	244,672	211,305	167,126	79.1
141	District Attorney	3,309,838	4,311,362	4,828,861	3,606,559	74.7
142	District Attorney-Family Support Bureau	1,520,353	2,370,914	2,479,943	2,479,943	100.0
143	Education - County Offices	1,349,780	1,490,968	1,525,130	326,238	21.4
145	Fire	59,358,140	61,357,113	63,462,464	52,236,789	82.3
147	Human Rights Commission	299,158	332,101	373,554	134,716	36.1
149	Law Library	78,062	82,573	90,840	0	0
150	Commission on the Status of Women	59,509	66,057	83,907	4,500	5.4
151	Mayor	1,191,469	1,211,742	1,360,700	1,002,168	73.7
152	San Francisco Commission on Aging	85,133	99,519	113,191	67,000	59.2
153	Mayor Financial Information and Resources Management Project	100,905	445,288	469,760	0	0
154	Mayor's Office-Federally Funded Units	109,375	1,100,518	1,897,825	1,170,382	61.7

OPTIONAL 1978-1979 CITY AND COUNTY BUDGET BASED UPON A REDUCED LEVEL OF AD VALOREM TAX FUNDING PURSUANT TO THE JARVIS-GANN AMENDMENT TO THE STATE CONSTITUTION

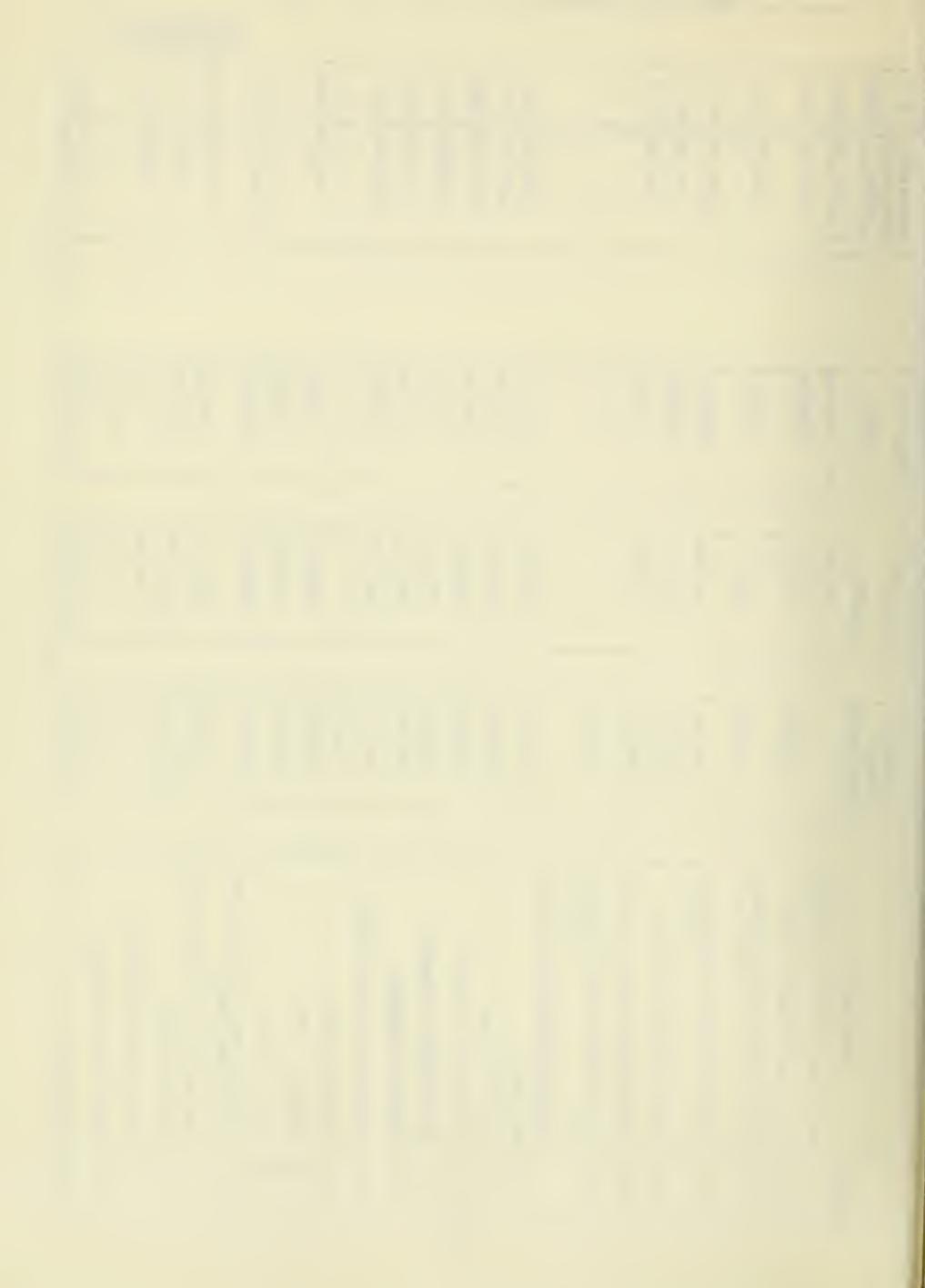
ATTACHMENT I
Page 2 of 7

Index	Department	1978-1979 Budget		1978-1979 Jarvis-Gann Budget	
		1977-1978 Budget	1978-1979 Funded	1977-1978 Actual Expenditures	% Funded
155	Municipal Court	\$ 6,023,938	\$ 6,597,264	\$ 7,776,921	91.4
157	Parking Authority*	-	-	-	-
159	Permit Appeals	52,936	58,114	65,961	54,748
161	Police	73,504,488	75,725,647	83,500,716	83.0
165	Public Defender	1,482,151	1,985,328	2,446,070	83.1
167	Public Pound	492,593	517,223	671,300	53.2
168 & 169	Social Services Department	148,143,993	158,270,577	160,598,050	94.8
173	Sheriff	8,497,969	10,370,594	11,268,073	87.5
176	Board of Supervisors-Debt Prevention Commission	5,088	37,858	49,929	0
177	Animal Control & Welfare Comm.	7,626	8,245	9,029	0
178	Assessment Appeals Board	107,799	133,815	128,325	0
179	Superior Court	3,539,183	4,480,463	4,612,475	0
180	Board of Supervisors-Budget Bureau	304,259	282,741	482,028	91.6
181	Board of Supervisors	1,132,619	1,222,293	1,359,871	72.5
182	Board of Supervisors-Employee Relations Division	130,670	188,582	162,121	81,060
183	Treasurer	466,673	567,071	754,239	643,541
185-188	Juvenile Court	6,592,972	7,781,500	8,436,101	7,175,003
211	County Agricultural Dept.	159,961	187,887	217,013	167,117



Index	Department	1976-1977 Actual Expenditures		1978-1979 Budget		% Funded
		1977-1978 Budget	1978-1979 Budget	\$	\$	
213	California Academy of Sciences	\$ 887,766	\$ 1,028,233	0	0	0
221	Chief Administrative Officer	384,753	514,194	529,406	370,584	70.0
223	Coroner	624,282	800,166	910,652	797,171	77.7
225	County Clerk	1,570,414	1,761,710	2,309,314	1,686,137	73.0
227	Director of Finance & Records	53,167	59,274	65,596	45,917	70.0
231	Electricity	2,077,573	2,372,768	2,349,231	2,293,310	97.6
241	Farmers Market	55,594	58,498	65,271	65,271	100.0
243	Public Administrator-Public Guardian	513,305	573,372	611,068	515,163	84.3
245	Real Estate	533,310	561,111	556,988	402,871	72.3
247	Real Estate-Auditorium and Brooks Hall	620,871	592,479	655,045	545,000	83.2
251	Recorder	252,234	330,568	371,369	300,072	80.8
253	Records Center	90,773	66,117	74,376	74,676	100.0
255	Registrar of Voters	1,395,029	1,790,904	1,145,535	947,309	82.7
261-	Tax Collector	2,529,452	2,927,475	3,082,848	2,803,816	91.0
263		129,092	144,531	158,089	125,271	79.2
311-	Weights and Measures	1,186,955	1,928,742	1,868,624	1,081,502	57.9
314		2	2	2	2	2
411	Public Works-Accounting	192,517	209,159	239,333	207,992	86.9
413	Public Works-Architecture	218,702	217,911	264,584	54,607	20.6
415	Public Works-Building Inspec.	2,807,937	3,254,393	3,485,687	2,715,513	77.9
417	Public Works-Building Repair	5,304,672	6,685,725	5,170,872	2,585,436	50.0
419	Public Works-Central Emir-Bar.	17,899	200,896	232,956	208,928	89.7
421	Public Works-Engineering	2,313,306	1,573,936	1,703,484	906,026	26.4

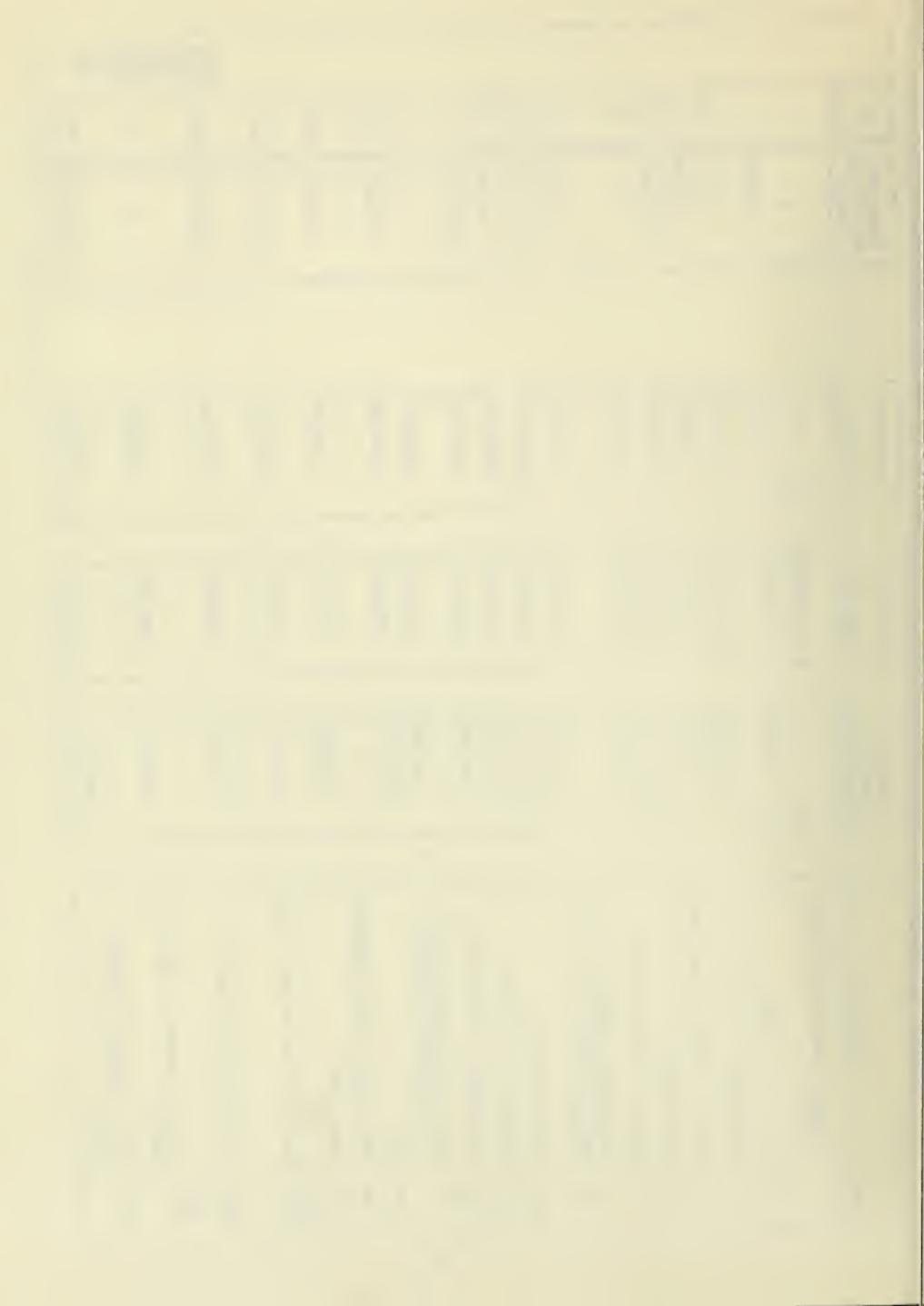
	1976-1977 Actual Expenditure ^f	1977-1978 Budget	1978-1979 Budget	1978-1979 Jarvis-Gann Budget	% Funded
422 Public Works-Sanitary Engineer	\$ -	\$ 1,168,824	\$ 1,243,262	\$ 1,243,262	100.0
423 Public Works-General Office	399,908	576,633	537,962	466,531	90.4
424 Public Works-Personnel Administration	129,779	136,747	163,212	118,634	72.4
426 Public Works-Water Pollution Control	5,679,109	6,699,608	6,862,110	6,862,110	100.0
429 Public Works-Sewer Repair	1,472,075	3,196,736	3,122,867	3,122,867	100.0
431 Public Works-Street Cleaning	1,738,118	783,037	239,904	239,904	100.0
445 Public Works-Capital Improvements*	813,326	-	0	0	0
Public Health-Central Office:					
511 Accounting	1,667,130	1,805,027	1,809,736	1,601,436	88.5
513 Administration	1,464,854	1,579,713	1,793,919	1,269,398	70.8
515 Jail Medical Services	399,439	1,928,984	2,067,458	1,925,959	93.2
517 Microbiology Laboratory	390,342	477,317	515,557	428,040	83.0
519 Chemical Laboratory	184,700	240,187	255,859	114,447	44.7
521 Maternal and Child Hygiene	879,531	1,011,779	1,159,768	1,048,663	90.4
523 City Physicians	54,638	0	0	0	0
525 Disease Control	188,835	226,702	239,376	97,079	40.6
529 Dental Bureau	385,338	472,308	504,244	0	0
531 Food and Sanitary Inspection and Rodent Control	1,516,105	1,605,368	1,767,531	1,564,464	88.5
533 Medical Clinic Juvenile Court	199,155	223,767	245,156	122,578	50.0
535 Health Centers	4,013,527	4,175,541	4,623,786	300,000	6.5
537 Public Health Education	43,601	42,963	62,447	62,447	61.6
539 Public Health Nursing	62,346	65,599	72,102	0	0
541 Statistics	155,091	172,398	202,417	172,052	85.0



OPTIONAL 1978-1979 CITY AND COUNTY BUDGET BASED UPON A REDUCED LEVEL OF AD VALOREM
TAX FUNDING PURSUANT TO THE JARVIS-GANN AMENDMENT TO THE STATE CONSTITUTION

Index	Department	1976-1977		1978-1979	
		Actual Expenditures	1977-1978 Budget	1978-1979 Budget	% Funded
543	Public Health <u>Continued</u> - Tuberculosis	\$ 446,644	\$ 517,943	\$ 564,594	82.7
545	Venereal Disease Control	653,161	846,552	939,469	82.4
	<u>Institutions:</u>				
551	Emergency Hospital	2,874,871	3,476,791	3,580,707	53.4
553	Hassler Hospital	46,021	11,585	37,900	100.0
555	Laguna Honda Hospital	17,711,843	21,371,675	22,742,442	72.2
557	San Francisco General Hospital	42,569,617	52,817,291	59,230,914	84.8
561- 583	Community Mental Health	8,245,131	10,290,613	32,008,116	29,720,593
					92.9
601	Bond Interest & Redemption - General City			25,610,348	25,122,123
603	Bond Interest & Redemption - P.S.E*			-	-

Index	Department	1976-1977		1977-1978		1978-1979	
		Actual Expenditures	Budget	Actual Expenditures	Budget	Actual Expenditures	Budget
605	Emergency Reserve-Restricted Approp.	\$ -	\$ 2,500,000	\$ 0	\$ 321,469	\$ 0	\$ 0
608	Off-Street Parking	237,350	268,979	300,000	300,000	0	0
621	The Fine Arts Museum of San Francisco	2,039,309	\$ 2,285,154	2,460,523	250,000	10.2	
622	Asian Art Museum of San Fran.	416,346	441,775	500,011	100,000	20.0	
631	Public Library	6,071,659	6,988,329	7,598,277	1,236,046	16.3	
641	Publicity and Advertising	3,210,141	4,000,000	3,900,000	0	0	
648	Recreation and Park Marina Yacht Harbor Project Fund	291,672	360,109	386,390	386,390	100.0	
651	General Division	15,859,898	17,102,280	18,319,474	5,172,104	28.2	
652	Special Zoo Division	1,118,186	1,441,251	1,994,931	100,000	5.0	
653	Candlestick Park Division	2,484,331	2,671,652	2,427,644	2,427,644	0	
654	Open Space Acquisition and Park Renovation Division	151,424	3,104,457	3,499,812	0	0	
655	Golf	1,335,059	1,526,031	1,534,720	400,000	26.1	
658	Maintenance of Other Depart.*	"	"	"	"	"	
659	Camp Mather	193,094	217,979	227,532	227,532	100.0	
671- 675	Special Gas Tax St. Improv. Fund	5,735,298	8,010,923	9,720,747	9,720,747	100.0	
681- 687	Road Commissioner-Road Fund	9,559,269	9,078,600	8,628,366	8,628,366	100.0	
691- 692	Board of Trustees of the War Memorial	1,041,458	2,253,488	1,403,339	0	0	
695	Public Utilities Commission - Bureau of Light, Heat and Power	2,821,765	4,281,568	4,886,543	3,909,237	80.0	



		1978-1979 Jarvis-Gann Budget	% Funded
		\$ 6,109,761	

	1978-1979 Budget
	\$ 6,564,318

	1976-1977 Actual Expenditures	1977-1978 Budget
697 Employees Retirement System	\$ 5,763,893	\$ 6,234,117
699 Health Service System	1,158,370	-
Public Service Enterprises		
705 PUC - General Office*	-	-
706 Public Utilities Commission Data Processing Center	-	-
725 San Francisco International Airport	38,816,953	39,220,670
728 Airport - Special Aviation Fund	5,000	5,000
735 Municipal Railway Operating Fund	78,171,185	84,901,984
745 San Francisco Water Department	25,675,583	26,477,047
755 Hetch Hetchy Project	54,131,138	44,884,030
775 San Francisco Harbor Improve- ment	15,943,426	15,699,404
	<u>\$767,370,357</u>	<u>\$831,232,240</u>
Total City and County Budget		

Index	Department	
697	Employees Retirement System	
699	Health Service System	
	Public Service Enterprises	
705	PUC - General Office*	
706	Public Utilities Commission Data Processing Center	
725	San Francisco International Airport	
728	Airport - Special Aviation Fund	
735	Municipal Railway Operating Fund	
745	San Francisco Water Department	
755	Hetch Hetchy Project	
775	San Francisco Harbor Improve- ment	
	Total City and County Budget	

Optional Replacement Revenues

As shown in Attachment I, the 1978-79 Jarvis-Gann budget without any replacement revenues would delete in their entirety many services and reduce other services.

A summary of optional increased revenues, fees and taxes is contained in the following table. We estimate that an additional \$128,450,000 could be raised in such increased and new revenues.

REVENUE INCREASES WHICH COULD BE EFFECTED TO PROVIDE ADDITIONAL SERVICES ABOVE THE LEVEL PROVIDED BY JARVIS-GANN

Revenue	Current Rate	1978-79 Revenue Estimate	Degree of Increase		Projected Additional Revenue	
			Low	High	Low	High
Employer Payroll Tax	1.1%	\$37,600,000	1.5%	2%	\$13,000,000	\$29,000,000
Business License Tax	\$0.90-\$2.20 per \$1000	3,400,000	\$1.23 \$3.00 per \$1000	\$1.64-\$4.00 per \$1000	1,400,000	3,000,000
Property Transfer Tax	0.5%	8,200,000	1%	1.5%	7,000,000	14,000,000
Utility Users Tax*1	5%	17,100,000	7.5%	10%	8,000,000	16,000,000
Parking Tax	15%	4,500,000	20%	25%	2,000,000	3,750,000
Employee License Fee	-	-	1% \$6,500 exemption	1% No exemption	20,000,000	52,000,000
Muni Fares*2	25¢	25,000,000	10¢/35¢/45¢		\$7,500,000	
Stadium Operator Tax*3	50¢	240,000	75¢	\$1.00	1,000,000	1,700,000
User Fees*4	Various	1,400,000	-	-	1,000,000	1,500,000
Totals		\$97,440,000			\$60,900,000	\$128,450,000

*1 Except intrastate telephone calls which are taxed at 5.5%.

*2 Although the 1978-79 budget estimates \$25,000,000 in fares based on 100% of operations, the reduced Jarvis-Gann budget estimates only \$16,500,000 in fares. The proposed increase would raise seniors and school children to 10¢, regular fares to 35¢ except during peak periods when the fare would be 45¢, and monthly fast pass to \$20.

*3 Projected additional revenue assumes the exemption of all tickets priced \$2.01 or less and Giants attendance 1,478,000 and 49er attendance 493,000.

Includes Museums, Opera House, Golf, Tennis, Swimming, etc.

BUDGET LEVEL 2 BASED ON \$17.9 MILLION IN REPLACEMENT REVENUESDESCRIPTION OF SERVICES

The optional Level 2 1978-79 budget is constructed under the assumption that the policymakers of the City and County decide to restore certain services by raising additional revenues. Level 2 funding would provide for the same services as Level 1 except for the following increases which were developed on a priority basis:

<u>Index</u>	<u>Department</u>	<u>Additional Funding</u>	<u>Percentage of Funding</u>	
			<u>Level 1</u>	<u>Level 2</u>
111	Adult Probation	\$ 400,000	71	86
113	Art Commission	244,999	0	50
119	City Planning	437,000	54	81
143	Board of Education	1,198,892	21	100
150	Comm. On Status of Women	37,454	5	50
153	Mayor-Fin. Information & Resources Management	700,000*	0	100
169	Social Serv-Genl.Assist.	6,005,000	0	100
213	Academy of Sciences	554,405	0	50
621	Fine Arts Museums	980,262	10	50
622	Asian Arts Museum	150,006	20	50
631	Library	2,563,093	16	50
651	Recreation and Park	3,300,000	28	50
652	Zoo	650,000	5	50
691-				
692	War Memorial Opera House-Museum	701,668	0	50
	Total	<u>\$17,922,779</u>		

*\$232,240 for this project was deleted from the Controller's budget.

